

Michele Cerullo

From: BC Antitrust
Sent: Wednesday, February 26, 2003 5:35 PM
To: Michele Cerullo; Patricia Jones
Subject: Fwd: ConocoPhillips sale of Woods Cross Assets, File No. 021-0040, Docket No. C-4058



Header (1 KB)

-----Original Message-----

Date: 02/19/2003 04:56 pm (Wednesday)
From: "David Jelmini" <David.J.Jelmini@conocophillips.com>
To: FTC.SERIOUS("antitrust@ftc.gov")
Subject: ConocoPhillips sale of Woods Cross Assets, File No. 021-0040, Docket No. C-4058

I would like to make comments to the FTC in regards to the ConocoPhillips sale of Woods Cross Assets, File No. 021-0040, Docket No. C-4058.

I am a 46 year old employee of ConocoPhillips with 24 years of service working at the Woods Cross Refinery. I have been offered employment by Holly Corporation in my current job. This week, both Holly and ConocoPhillips presented the benefit plans to all employees who will be working under Holly once the sale is approved and closed. When Holly representatives spoke to us on December 20, 2002 about their announced purchase of this asset, we were told that an agreement had been reached in the purchase and sale agreement to keep all employees "whole" on their pension plans. They also stated that Holly would adopt the current pension plan that all heritage Phillips employees were currently under. In essence, they said that while we would receive two retirement checks, but the sum of the two would equal the same as if we had worked the same period for ConocoPhillips.

I was quite surprised this week when I was told that I would be significantly penalized in my pension payouts (eg, would lose \$100,000 - 200,000 lump sum) since I was under 50 years of age at the time of severance with ConocoPhillips - unless I worked until age 65. To the best of my understanding, under the current ConocoPhillips plan, an employee will obtain full retirement benefits at age 60, with a 5% reduction for every year less. In other words, I could retire at age 55 with only a 25% reduction. However, under the proposed benefit plan, ConocoPhillips will reduce my accrued amount by 60% since they are using the penalty of 6% per year before age 65. While I realize this is stipulated in the current pension plan, ConocoPhillips is waiving this for employees 50 years and older. When told last December that we would be made "whole" in our pension plan, it was my presumption that ConocoPhillips would provide an offset to Holly to account for this penalty. After discussing this with several Human Resource representatives, they said there are no plans to do so.

We have been told on several occasions by the HSB trustee and manager that our benefits under the new company will be "comparable in the aggregate". Considering that Holly also offers a less than equivalent 401K program, and that most other benefits are basically equal, I do not see how I (and any others less than 50 years old) will be given benefits "comparable in the aggregate" as a result of this sale to Holly.

I am therefore requesting the FTC to require these two companies to revise their agreements and rectify this situation so that all Woods Cross Asset employees are kept "whole" on their pension plans. Thank you for your consideration in this matter.

David Jelmini
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